

AFFORDABLE AND WORKFORCE HOUSING STUDY SESSION

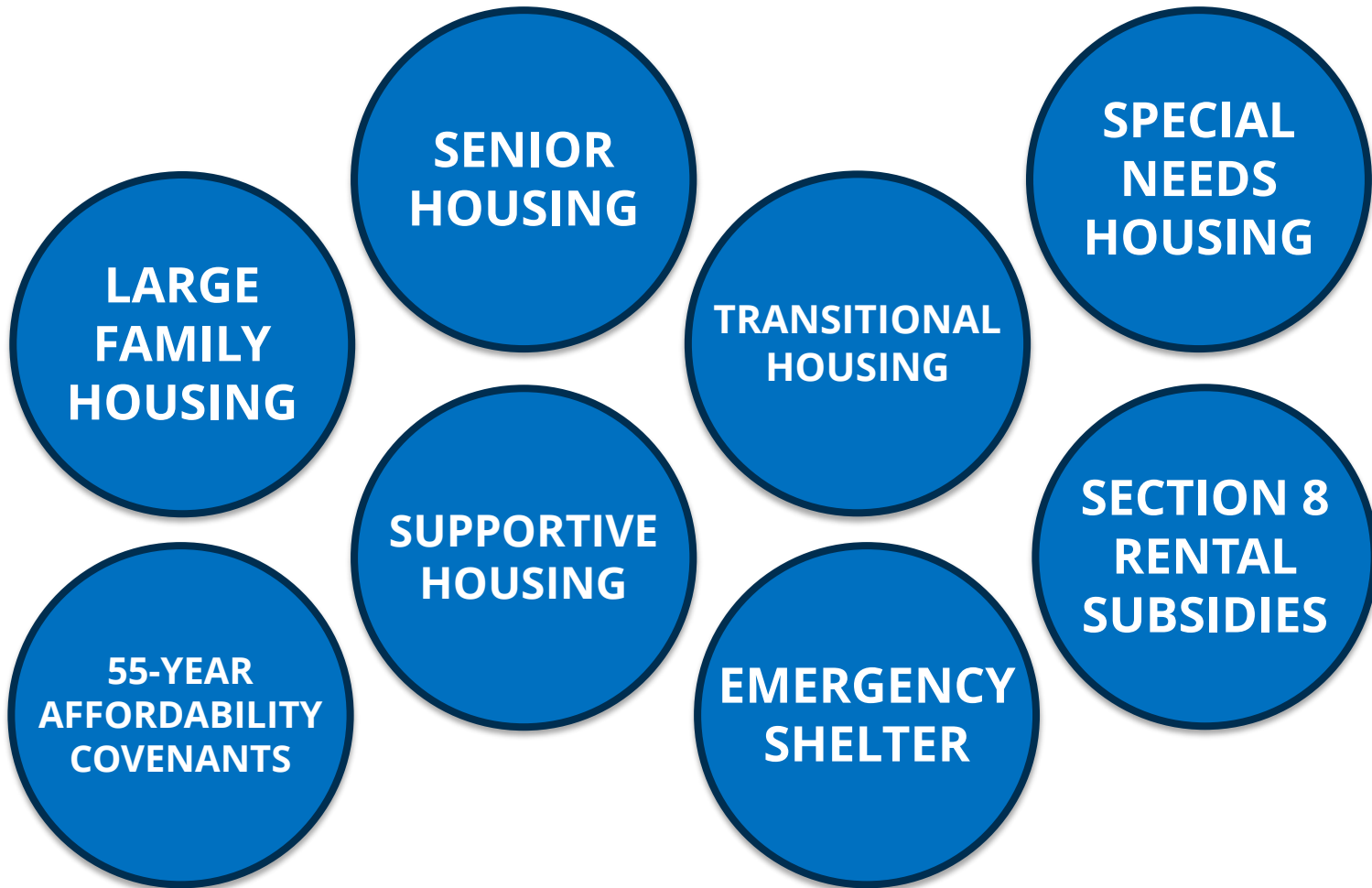
February 21, 2017



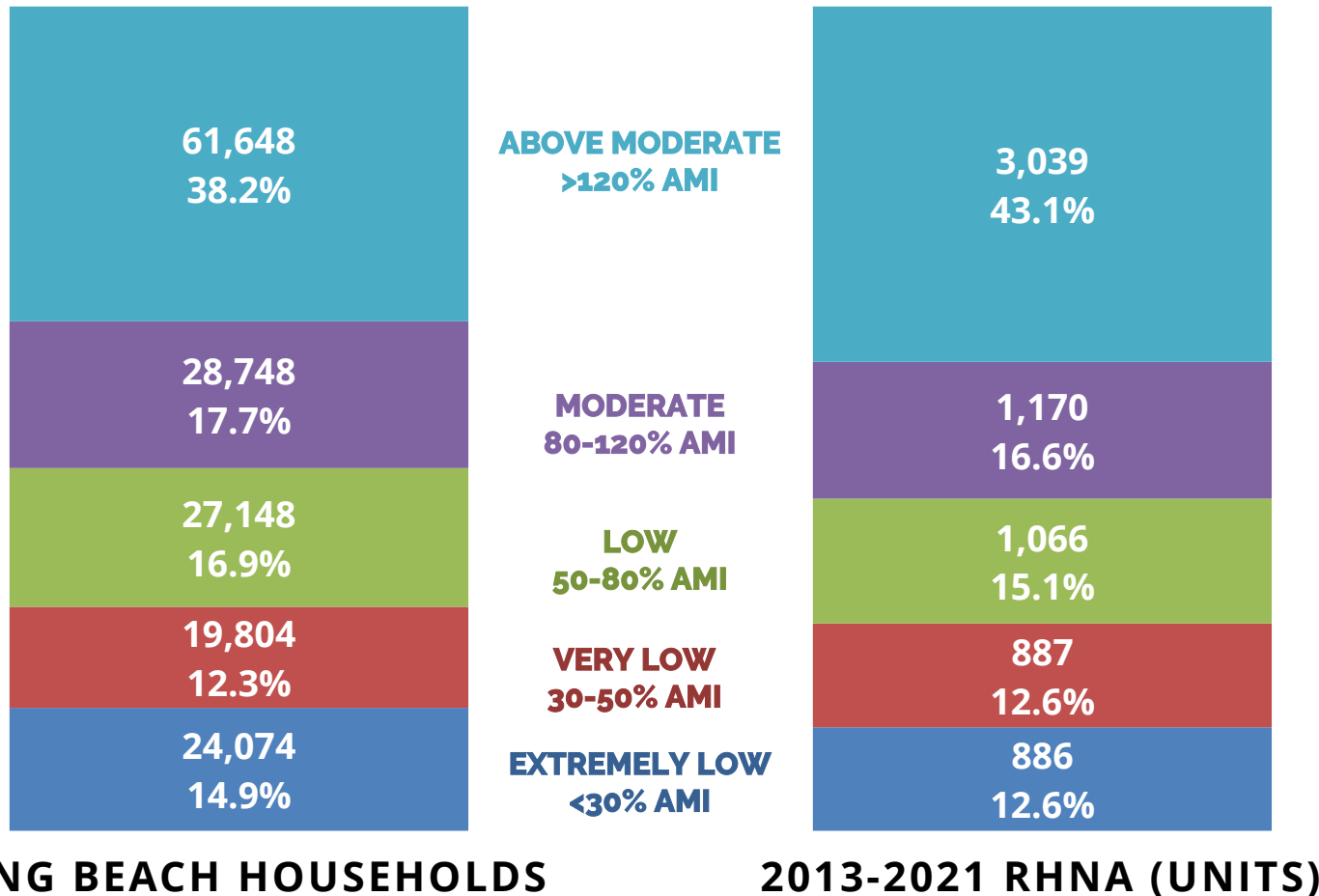
GUIDING QUESTIONS

- **How will we adequately invest in our city's affordable housing infrastructure?**
- **What policies can be implemented to stimulate housing development?**
- **How can we incentivize developers to build quality and affordable housing for Long Beach residents, workers, veterans, and students?**
- **What new revenue source will we dedicate to adequately meet our city's critical housing needs?**

WHAT IS AFFORDABLE HOUSING?



HOUSING NEEDS



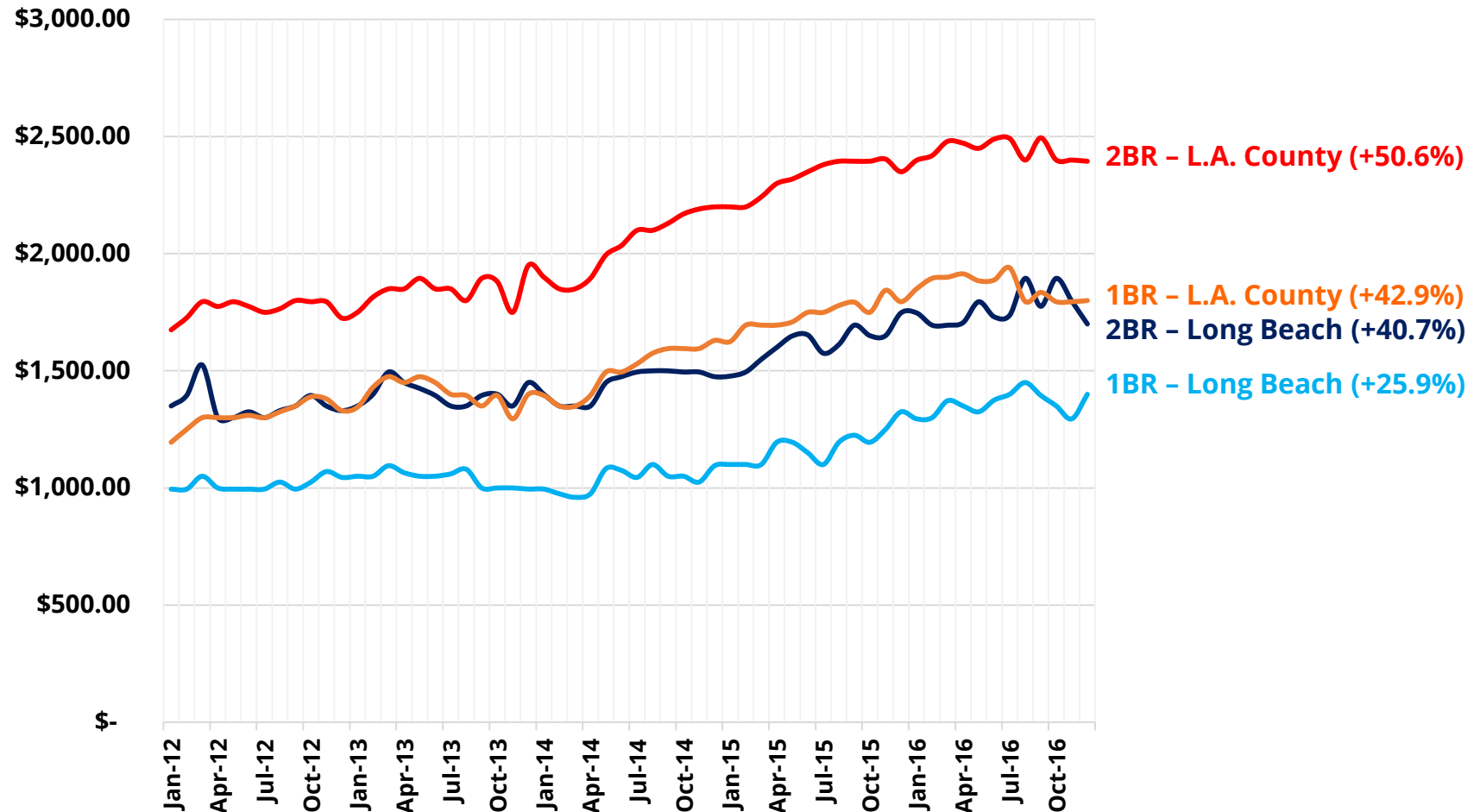
Area Median Income (AMI) – \$52,783/year

HOUSING ISSUES

- Low Paying Jobs and Poverty
- Rising Housing Costs
- Housing Cost Burden
- Reduction in State and Federal Affordable Housing Resources

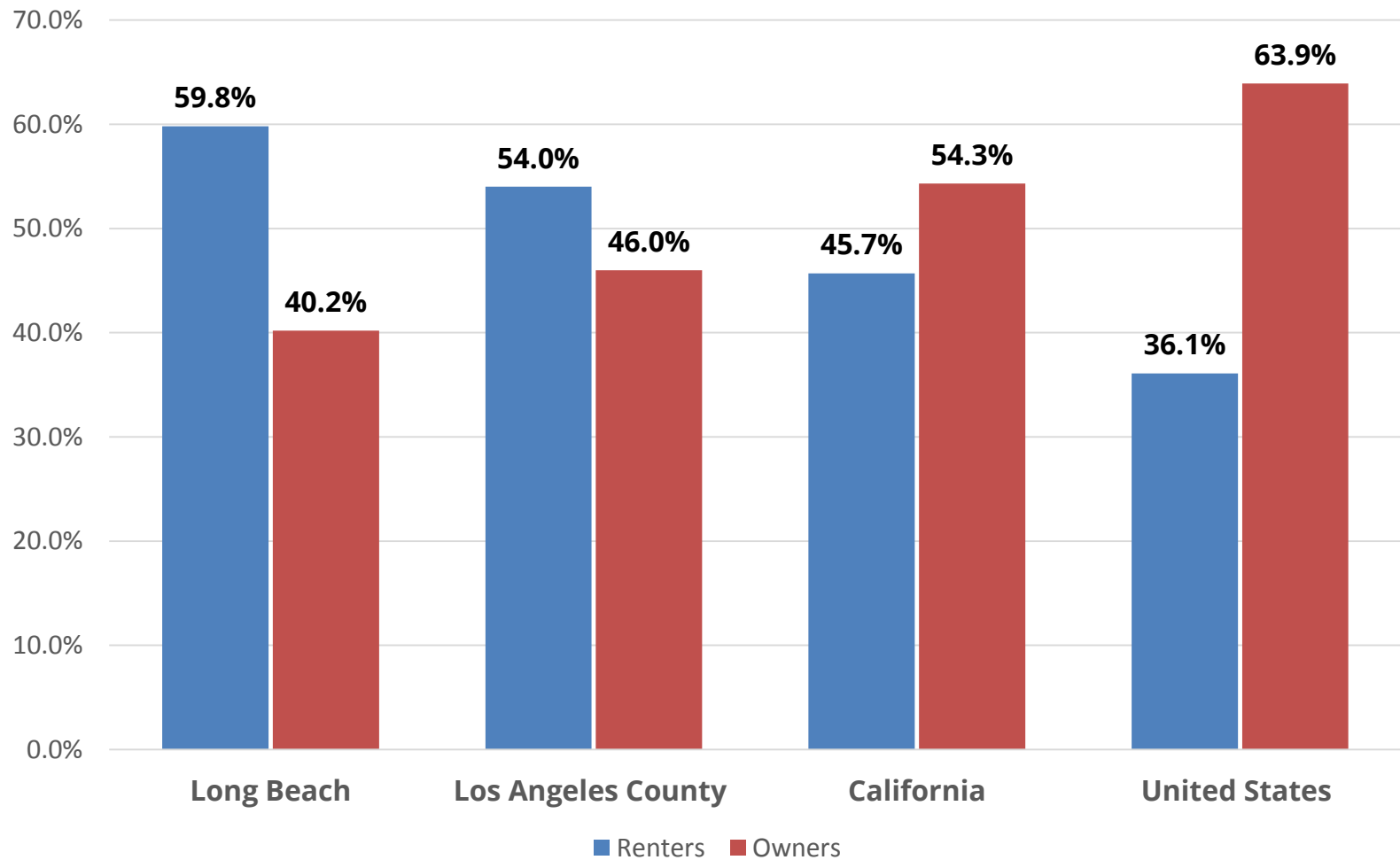
RIISING HOUSING COSTS

Median Rent, 1-BR and 2-BR Units, 2012-2016



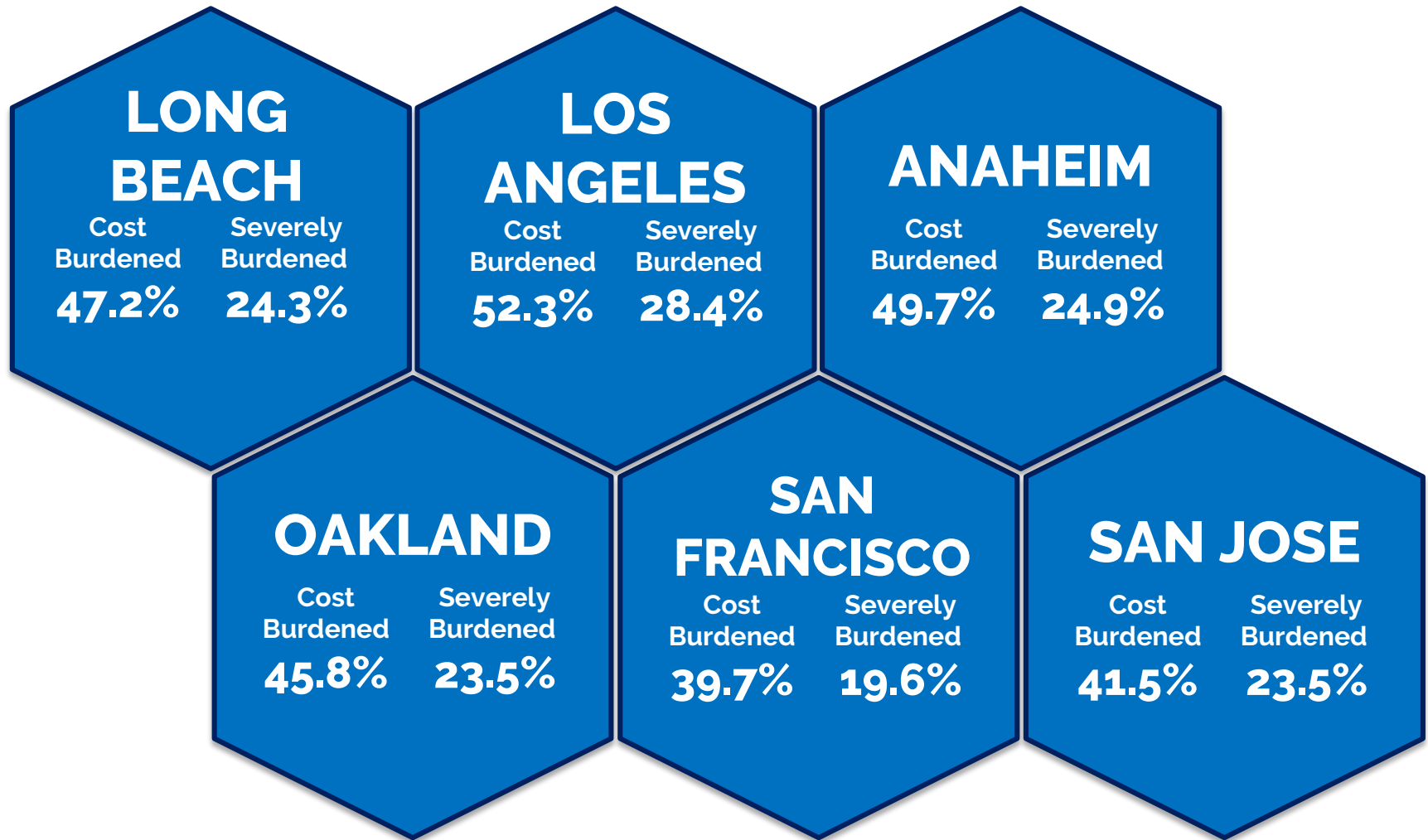
Source: Zillow Research Data

RENTAL/OWNERSHIP RATE



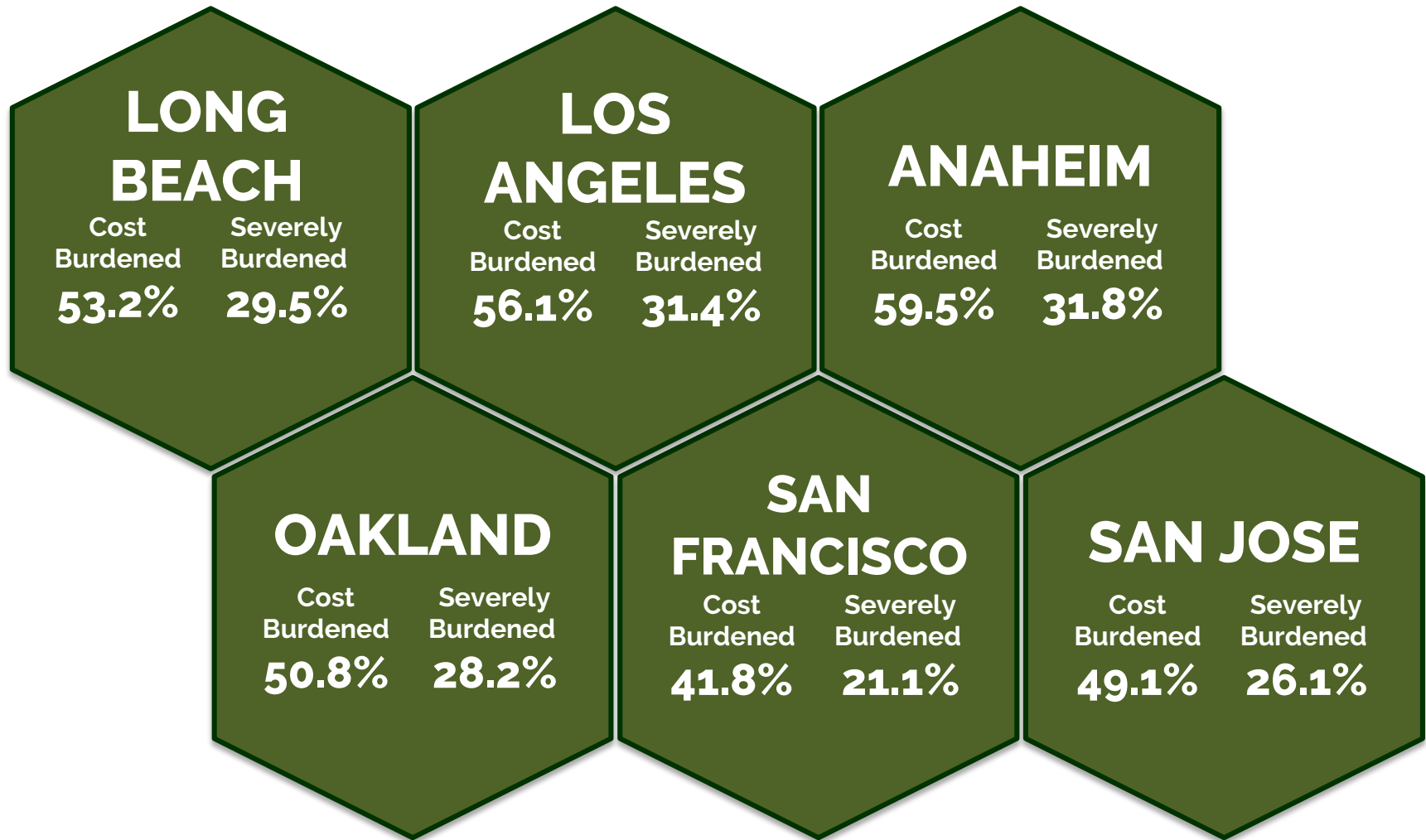
Source: American Community Survey, 2011-2015

HOUSING COST BURDEN – ALL HOUSEHOLDS



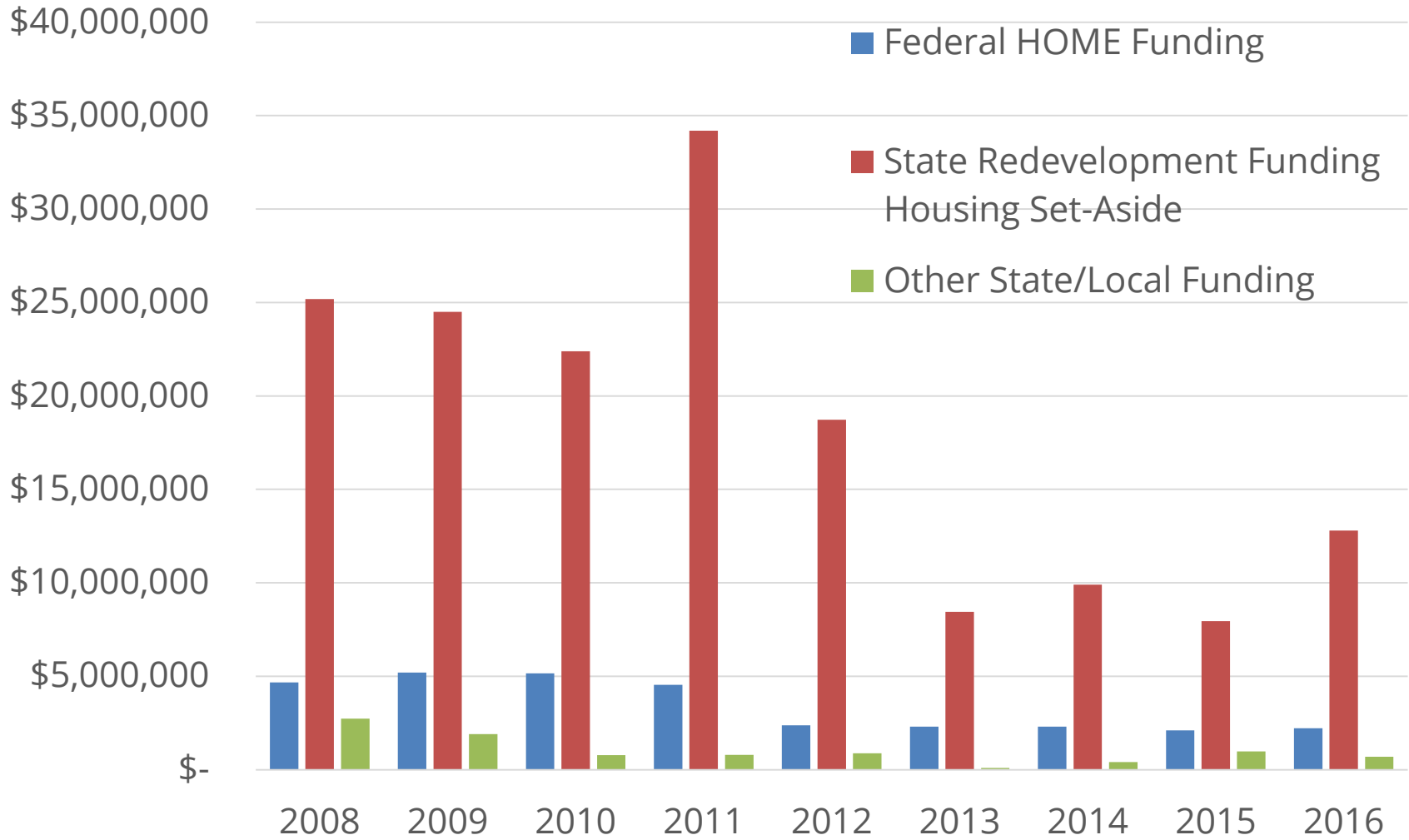
Source: HUD Comprehensive Affordable Housing Strategy Data, 2009-2013

HOUSING COST BURDEN – RENTER HOUSEHOLDS

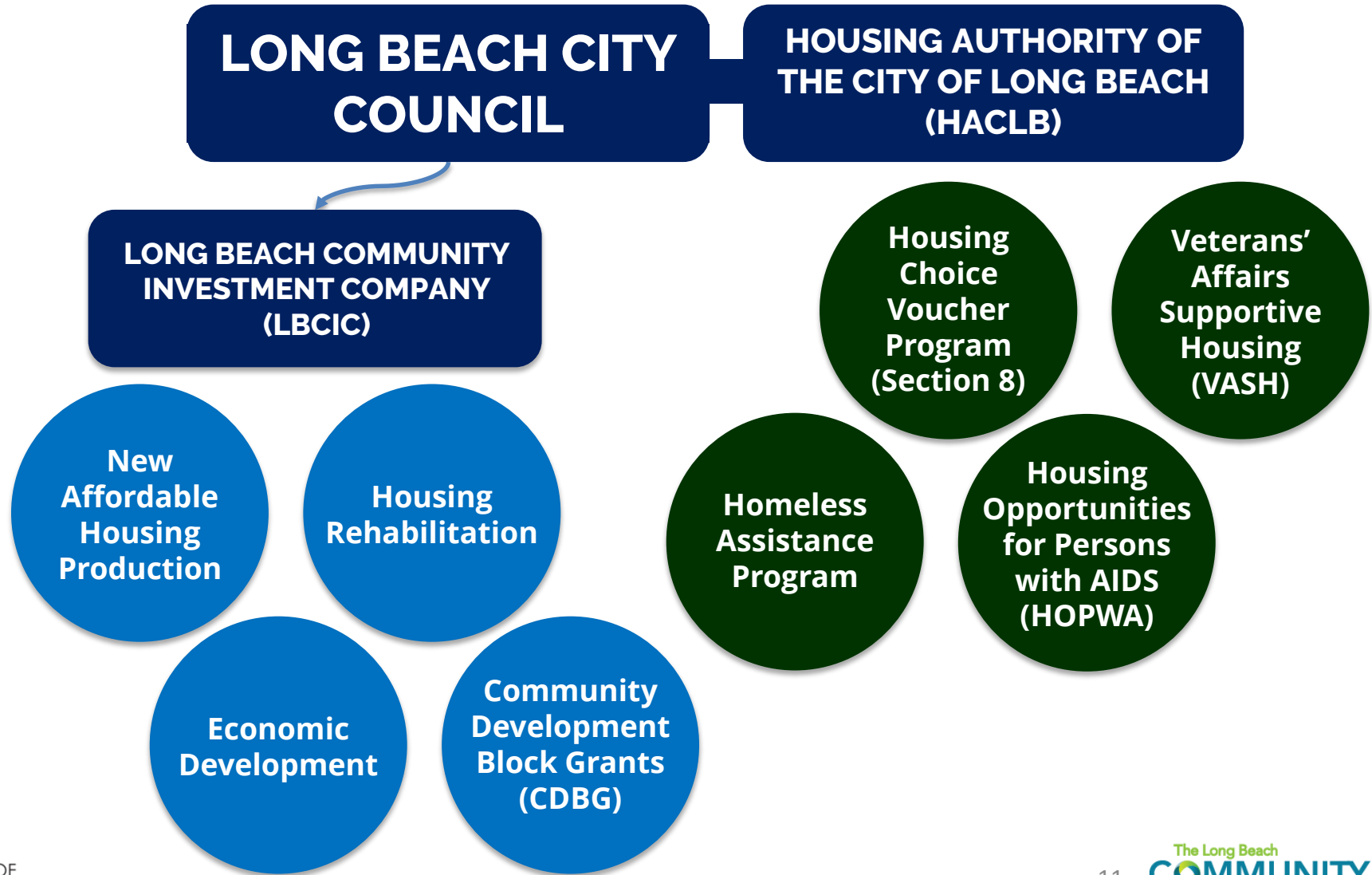


Source: HUD Comprehensive Affordable Housing Strategy Data, 2009-2013

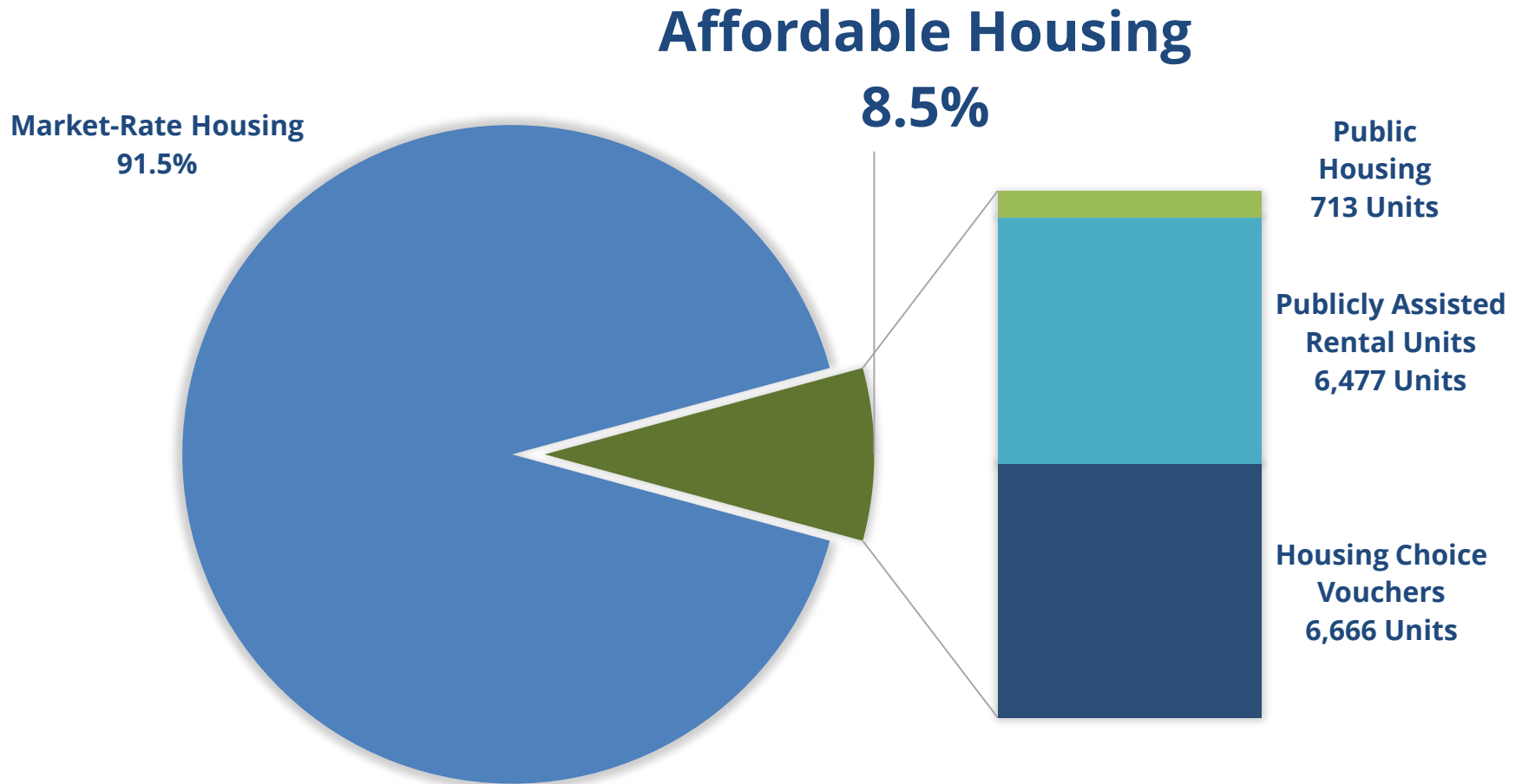
REDUCTION IN FEDERAL AND STATE FUNDING FOR AFFORDABLE HOUSING PRODUCTION



HOUSING PROGRAMS

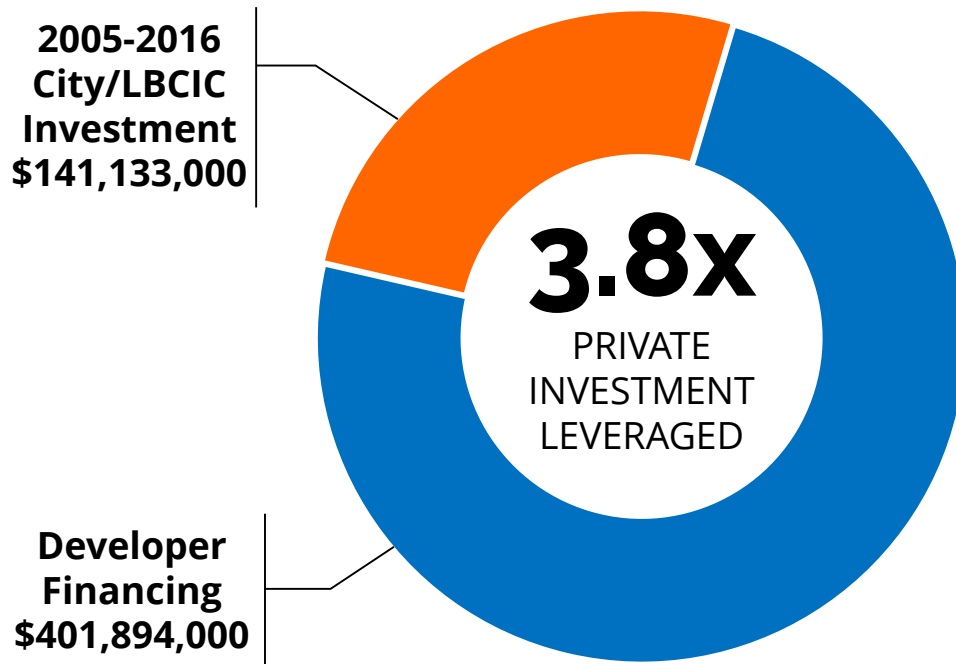


EXISTING AFFORDABLE HOUSING UNITS



\$543,027,000

Invested in new Affordable Housing, 2006-2016



- **1,778** Units of New Affordable Housing Produced
- **2,093** Units of Affordable Housing Preserved
- **367** Units Rehabilitated and Newly Restricted
- **335** First-Time Homebuyers Assisted
- **4,573 TOTAL HOUSEHOLDS ASSISTED**



gallery421 - New Construction (26 units)

COMPLETED PROJECTS

FAMILY RENTAL HOUSING

LONG BEACH &
BURNETT
APARTMENTS



FAMILY COMMONS
AT CABRILLO



PACIFIC CITY
LIGHTS



PUERTO DEL SOL



FAMILY RENTAL HOUSING

DECRO - SCATTERED SITES
REHABILITATION



BELWOOD ARMS
APARTMENTS



COLLAGE
APARTMENTS



EVERGREEN
APARTMENTS



SENIOR & OWNERSHIP HOUSING

RAMONA PARK
APARTMENTS



SENIOR ARTS
COLONY



OLIVE COURT



CORONADO



SPECIAL NEEDS HOUSING

CABRILLO GATEWAY



THE PALACE
HOTEL



LONG BEACH & 21ST
APARTMENTS



ADAPTIVE REUSE

IMMANUEL CHURCH
SENIOR HOUSING





Anchor Place – New Construction, Veterans and Family Rental
(120 Units)

CITY OF
LONG BEACH

PROJECTS UNDERWAY & APPROVED

APPROVED AND PENDING PROJECTS

	PROJECT	TYPE	UNITS
UNDER CONSTRUCTION OR NEARING CONSTRUCTION	Anchor Place	Homeless, Family, Veteran	119
	Daisy (4) and Banner (8)	Developmentally Disabled	12
	Beachwood Apartments (Rehabilitation)	Disabled	46
	The Beacon	Senior, Homeless Veteran	160
	SUBTOTAL		337
PROPOSED OR IN PLANNING PHASE (THRU 2019)	1950-60 Henderson Henderson RFP	Family	4
	Pacific/14th RFP	Family	11
	1836 Locust RFP	Family, Special Needs	65
	Housing NOFA 2016 – 1795 Long Beach Boulevard	Family, Special Needs	100
	1900 Long Beach Blvd. RFP	Family, Special Needs	95
	SUBTOTAL		275
	TOTAL UNITS IN PROCESS		612

ANCHOR PLACE



New Construction – Veterans and Family Rental

Developer

Century Villages at Cabrillo

Total LBCIC Financial Assistance

\$4.0 Million

Total Development Cost

\$42.5 Million

Unit Mix

1-Bedroom: 95

2-Bedroom: 20

3-Bedroom: 5

Total: 120

Affordability

Very Low: 111

Moderate: 8

Manager: 1

THE BEACON



New Construction – Senior and Veterans Rental

Developer

Century Housing

Total LBCIC Financial Assistance

\$12.3 Million

Total Development Cost

\$80.4 Million

Unit Mix

Beacon Pointe

121 Units

1-Bedroom: 110

2-Bedroom: 11

Beacon Place

39 Units

1-Bedroom: 30

2-Bedroom: 9

Affordability

Extremely Low: 26

Very Low: 72

Low: 60

Manager: 2

BEACHWOOD APARTMENTS



Preservation – Special Needs (Disabled)

Developer

Century Affordable Development, Inc.

Total LBCIC Financial Assistance

\$2.1 Million

Total Acquisition Cost

\$8.8 Million

Unit Mix

45 Units

1-Bedroom: 32

2-Bedroom: 13

Affordability

Very Low: 6

Low: 38

Manager: 1

HABITAT FOR HUMANITY - HENDERSON

New Construction – Ownership

Developer

Habitat for Humanity of Greater Los Angeles

Total LBCIC Financial Assistance

\$382,000

Total Development Cost

\$1,514,027

Unit Mix

4 Single-Family, 3-Bedroom Homes

Affordability

Low: 4



PACIFIC APARTMENTS – 1795 LONG BEACH BLVD

New Construction – Family & Special Needs Rental

Developer

AMCAL

Total LBCIC Financial Assistance

\$3.5 Million

Total Development Cost

\$42.2 Million

Unit Mix

101 Units

1-Bedroom: 61

2-Bedroom: 156

3-Bedroom: 25

Affordability

Extremely Low: 18

Very Low: 32

Low: 50



THE SPARK AT MIDTOWN



New Construction – Family & Homeless Rental

Developer

LINC Housing

Total LBCIC Financial Assistance

\$3 Million

Total Development Cost

\$41.4 Million

Unit Mix

95 Units

1-Bedroom: 47

2-Bedroom: 23

3-Bedroom: 25

Affordability

Extremely Low: 66

Very Low: 10

Low: 18

Manager: 1

EXISTING FUNDING FOR AFFORDABLE HOUSING

HOUSING RESOURCES	
REVENUES	AMOUNT
SERAF (repaid)	\$ 8,848,132
Downtown Deferred Set-Aside (repaid)	\$ 15,873,758
Other Loan Repayments, Interest, etc.	\$ 9,449,739
City/Agency Debt (20% to Housing Fund) Received	\$ 898,683
SUBTOTAL (fund balance as of 9/30/16)	\$ 35,070,312
City/Agency Debt receivable (FY-17 to FY-20)	\$ 6,028,373
TOTAL HOUSING ASSET FUNDS	\$ 41,098,685
PENDING COMMITMENTS	\$ 26,782,000
NET AVAILABLE HOUSING ASSET FUND RESOURCES	\$ 14,316,685
HOME Funds (FY-17)	\$ 3,200,000
Housing Choice Voucher Program (FY-17)	\$ 69,221,942
TOTAL AVAILABLE FUNDING	\$ 86,738,627

EXISTING INCENTIVES – FEE WAIVERS

DEVELOPER IMPACT FEE WAIVERS

The City provides Developer Impact Fee Waivers to encourage the development of affordable housing. Recent examples include:

- Cabrillo Gateway (Villages at Cabrillo): \$448,000
- Anchor Place (Villages at Cabrillo): \$666,700
- The Beacon (Long Beach Blvd. & Anaheim): \$890,850

EXISTING INCENTIVES – DENSITY BONUS

DENSITY BONUS

Long Beach has adopted the State density bonus law to provide up to a 35% density bonus to facilitate the development of lower income housing, moderate-income condominiums, and housing for seniors. Bonuses include:

- Increased Density
- Reduced Parking
- Relaxed Development Standards

ASSEMBLY BILL 744 (CHAU)

Assembly Bill 744 allows developers who are requesting a density bonus and including 100% affordable units to also request that the City reduce the minimum parking requirements for a development. Eligible within ½-mile of a transit stop:

- Seniors-only development with transit access
- Special needs

STUDY GROUP INPUT & COMMUNITY PARTICIPATION



**2/16 THROUGH 2/17
HOUSING STUDY
GROUP MEETINGS**

**9/24/16
HOUSING
RESOURCE
FAIR &
COMMUNITY
FORUM**

**2/21/17
AFFORDABLE/
WORKFORCE
HOUSING
STUDY
SESSION**

**9/19/16
MAYOR'S
ROUNDTABLE
WITH HOUSING
ADVOCATES**

**10/14/16
MAYOR'S
ROUNDTABLE WITH
HOUSING
DEVELOPERS**

**AFFORDABLE
HOUSING POLICY
RECOMMENDATIONS**

PUBLIC COMMENT ISSUES

- General support for the need and development of more affordable housing.
- Concerns about overall rising rents and the cost of housing in Long Beach.
- Lack of affordable, quality housing for workers and families.
- Lack of amenities and basic needs near affordable housing developments.
- A need to balance affordable housing with new commercial and market rate housing development.
- Lack of suitable land and a development process that takes too long.
- A desire for mixed-income housing, and housing for people with moderate incomes.
- Allowing and encouraging innovative housing types to address population needs, including micro-units, intergenerational housing, and transit-oriented development.

HOUSING STUDY GROUP

- The Housing Study Group suggested a three-pronged approach:
 - 1. Plan and Prioritize**
 - 2. Protect and Preserve**
 - 3. Produce and Promote**
- Additional data needs to be collected to bridge stakeholder interests and inform initial conversations around new housing policies.

STRATEGY #1: PLAN AND PRIORITIZE

Case making

- With a combination of data and story, build the “case” and “shared vision” for investing in tools and resources that create high quality affordable housing in Long Beach.
- Celebrate Long Beach’s successes as it relates to affordable housing. Coalesce and mobilize community support around the “case.”

Synthesize

- Synthesize the City’s Housing Action Plan, Housing Element, other relevant City planning documents, and Affordable Housing Study Group Policy Recommendations into unified, coherent “plan” or roadmap for affordable and workforce housing that enjoys broad community support.
- Consider the plans and priorities of other public agency stakeholders such as the County of Los Angeles and State of California.

STRATEGY #1: PLAN AND PRIORITIZE

Systematize

- Ensure that the plan is the centerpiece of a Community Investment System that establishes priorities, contemplates a pipeline of opportunities, and promotes the adoption of enabling conditions.
- Maintain a database of opportunities involving publicly held land (i.e., current City owned parcels, Metro owned lots, underutilized publicly owned lots).

Accountability and Impact

- Commit to the Community Investment System and Collective Impact methodologies by adopting policies and goals that are “SMART” (Strategic, Measurable, Actionable, Relevant, and Time-Bound.
- Establish an “interdepartmental” backbone role which features a mechanism for community feedback and public accountability to ensure plan implementation.
- Pursue foundation funding to fund this backbone role.

STRATEGY #2: PROTECT AND PRESERVE

- Consider a policy to limit condo conversions when vacancy rates drop below a certain percentage.
- One-for-one replacement of all housing lost to redevelopment.
- Preserve stock of existing affordable housing within the community.

STRATEGY #3: PRODUCE AND PROMOTE

- Through voter approval of a local bond measure, establish a “one time” source of capitalizing the City’s Housing Trust Fund. Bond proceeds would be invested over a finite time period (i.e., 10 years) in projects that meet specific local priorities and needs.
- Encourage mixed income housing through adoption of an inclusionary housing policy and establishment of incentives for developers. Subsidize or mandate mixed income housing through inclusionary zoning program, or payment of adequate “in lieu” fees.
- Address zoning and regulatory impediments that serve as barriers to the creation of affordable housing. One successful example is the adoption of specific plans (ie, community plans) that feature master EIRs which provide regulatory relief, greater environmental certainty, and more rapid entitlements.

STRATEGY #3: PRODUCE AND PROMOTE

- Continue to partner with developers and other community stakeholders in the pursuit of grant funding and other third party resources such as Metro resources, State AHSC funding, County resources, and other Federal grant/loan programs.
- Encourage the project-basing of Section 8 vouchers for supportive housing developments.
- Adopt ordinance that paves the way for the development of accessory dwelling units.
- Address the housing needs of college students through promotion of student housing on university controlled or university adjacent land.

STRATEGY #3: PRODUCE AND PROMOTE

- Communicate the City's State and local legislative priorities as it relates to affordable housing. Promote the engagement of interested City stakeholders in an effort to maximize the flow of external resources into the City.
- Pass local Article 34 referendum to ensure maximum leveraging of State resources on local affordable housing developments.
- Explore the feasibility and mechanics of using new structures such as the enhanced infrastructure financing district (EIFD) tool to capitalize the Housing Trust Fund with new resources for the creation of affordable housing.
- Provide necessary City staffing resources to effectively manage the growth of affordable housing contemplated by this set of policy recommendations.

OTHER STAFF RECOMMENDATIONS

- Modify moderate-income definition from 80-120% of AMI to 80-150%.
- Support CEQA reform.
- Reduce parking requirements.

NEXT STEPS

- Refine Housing Report to Include Feedback from February 21, 2017 Study Session.
- Conduct Additional Research as Necessary.
- Finalize Housing Report.
- Present Final Housing Report to City Council with Housing Policy Recommendations.